

## **Assembly Bill 617 Community Air Protection Program Frequently Asked Questions about Funding (updated May 2023)**

The following Q and A covers common questions about AB 617 funding. This document does not cover all possible questions or establish binding requirements or interpretations of appropriation statutes. It may be updated as needed.

### **General Questions**

Where does the money to run AB 617 come from?

What are the categories of funds?

How are Community Air Grants administered?

### **Implementation Funding Questions**

How are implementation funds given to Air Districts and what can they spend the funds on?

How is the use of implementation funds by Air Districts tracked by CARB?

How does CARB use the implementation funds it receives?

How does CARB report on its progress to implement the Community Air Protection program?

### **Incentive Funding Questions**

How are Community Air Protection Incentives funds distributed to Air Districts?

How are Community Air Protection Incentives funds distributed by Air Districts to implement projects?

What is CAPCOA's role in determining funding allocations for AB617 incentives funds?

How does CARB track the use of CAP Incentive Funds?

How much funding (incentive and implementation) is provided to each CSC community?

How much funding has the Legislature provided the Program?

### **General Questions**

Where does the money to run AB 617 come from?

The Legislature provides funding to California Air Resources Board (CARB) and Air Districts to implement [AB 617](#) (Garcia, Stats. of 2017, ch. 136) through the State's annual budget process. The Legislature passes budget legislation, which is signed by the Governor, and then the funding described in the legislation is allocated to CARB to distribute for three categories of uses described in the next section.

To date, as directed through the Budget, funding comes from the Greenhouse Gas Reduction Fund (GGRF) and the Air Pollution Control Fund (APCF). Each funding

source has reporting requirements to ensure that the use of the funds meets legal requirements.

- GGRF

This fund represents the State's portion of Cap-and-Trade auction proceeds. It funds California Climate Investments, programs throughout the State that facilitate reductions of greenhouse gases and also deliver economic, environmental, and public health benefits for Californians, including meaningful benefits to the most disadvantaged communities.

- APCF

This fund is generated from penalties and fees collected from various sources of air pollution and is made available to CARB to carry out its duties and primary functions.

Some Air Districts use other funds to implement AB 617 to augment what they are provided through the Budget. For example, the Bay Area Air Quality Management District has raised fees on stationary sources to cover additional costs of the program.

### What are the categories of funds?

The Budget currently directs funds to implement AB 617 in three categories:

- Implementation Funds (also called Administrative Funds)

This funding is provided by the Budget to CARB and Air Districts to meet staffing, equipment, and program-wide needs. The major source is the APCF with some funding from the GGRF. The Legislature provides funding for CARB's implementation as well as funding for Air Districts' implementation, which CARB administers by distributing funds to the Air Districts through grant agreements.

AB 617 total implementation funding amounts for both CARB and Air Districts have stayed about the same over time, despite the increasing number of communities in the Program. The funding amounts allocated to individual Air Districts vary year to year, based largely on the number of community steering committee (CSC) communities in the district. CSC communities are those selected by the Board for development of a Community Air Monitoring Plan (CAMP) and/or a Community Emissions Reduction Program (CERP). The final amount for each Air District is negotiated by CARB and the Air Districts, with coordination support from the California Air Pollution Control Officer's Association (CAPCOA).

- Community Air Protection Incentives (also called CAP Incentive Funds)

This is funding specifically identified in statute for the AB 617 Program to put advanced technologies to work for cleaner air in the California communities that are most heavily impacted by disproportionate levels of air pollution. The source is the GGRF.

In accordance with the [Community Air Protection \(CAP\) Incentives Guidelines](#), approved by the CARB Board, CARB administers CAP and other incentive funding to Air Districts through grants and is responsible for ensuring the funding uses meet the requirements of the law. The Air Districts distribute the funds to eligible projects that are consistent with the CAP Incentives Guidelines and grant agreements between CARB and the Air Districts.

CAP incentives support air quality improvements through projects such as replacement of heavy-duty diesel trucks with zero emission trucks, zero emission equipment and infrastructure at warehouses, cleaner technology ship and harbor craft, zero emission vehicle (ZEV), ZEV charging infrastructure, school air filtration systems, urban greening, and stationary source incentives for hexavalent chromium plating facility projects.

Information on all [CARB incentive programs](#).

- Community Air Grants

AB 617 requires CARB to provide grants to community-based organizations for technical assistance and to support community participation in the Program. Eligible entities include California community-based organizations and California tribes. Grants help awardees to participate in the AB 617 process, and to build capacity to become active partners in identifying, evaluating, and ultimately supporting reduction of air pollution and exposures to harmful emissions in their communities. The funding source is the GGRF.

The total funding amount available for [Community Air Grants](#) is established in the annual Budget. To date, a total of \$35 million has been appropriated for Community Air Grants since the program began.

Example activities eligible for funding include:

- Community engagement and outreach related to AB 617.
- Hiring consultants and/or technical experts.
- Travel and logistical support for hosting and/or attending meetings related to AB 617 (i.e., room rental, meeting facilitation, transportation).
- Support for community operated air monitoring.
- Data collection and analysis, including community based participatory research projects.

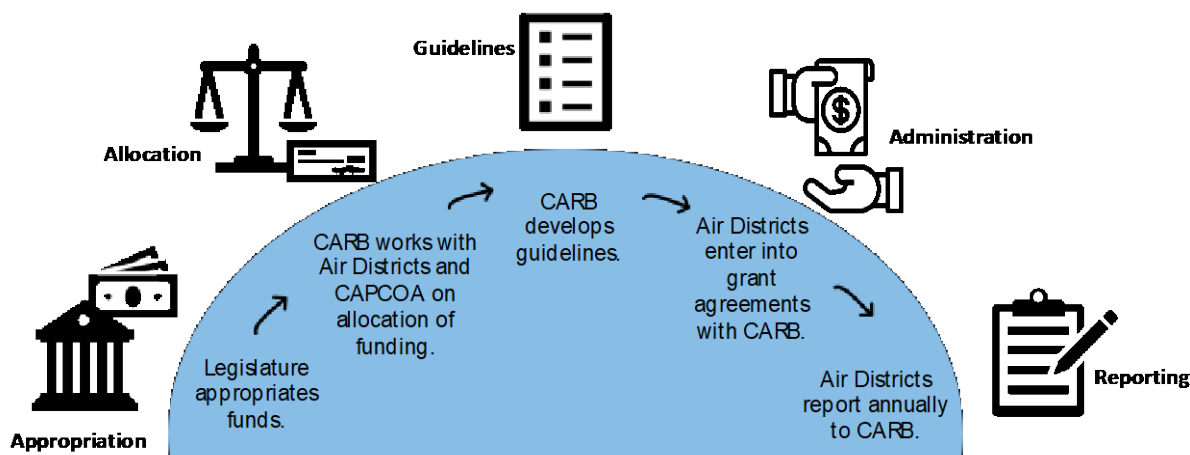
For more information on the application process, requirements, previous awardees, and project descriptions, visit the [Community Air Grants website](#).

### How are Community Air Grants administered?

The typical Community Air Grant process begins with release of a draft Request for Applications (RFA). The draft RFA is finalized after a two-month period of engagement; this time is used to collect public comments that are considered in the drafting of the final RFA. Once the final RFA is released, applicants have 90 days to submit an application. CARB staff reviews all applications based on legal requirements and the criteria described in the RFA. The review period takes approximately three months. Final grant agreements are executed less than 6 months later. The grantee reporting requirements for Year 3 grants include biannual, annual and final reports, whereas the reporting requirements for Year 1 and 2 grants include quarter, annual and final reports.

### Implementation Funding Questions

**Figure 1, Flow of Community Air Protection Funds  
Budget to Air District through CARB**



### How are implementation funds given to Air Districts and what can they spend the funds on?

CARB's Office of Community Air Protection administers implementation funds to Air Districts through grant agreements and is responsible for ensuring the funding uses meet legal requirements. This category of funding is used to meet staff resources, equipment, and program wide needs to support CSCs. The grant agreements do not specify how an Air District spends the funds so long as the uses are consistent with law. For example, the grant agreements do not require an Air District to spend certain

amounts on a per-community basis. The funds are also used to meet other requirements of AB 617 such as expanded emissions reporting and Expedited Best Available Retrofit Control Technology (BARCT).

Example activities that an Air District may spend implementation funds on include:

- Establish and support CSC with stipends, facilitation, and translation/interpretation.
- Staffing and outreach and engagement to develop and implement CERPs.
- Deliver enhanced enforcement per CERP commitments (over and above what would normally occur).
- Deploy, maintain, and communicate results of CAMP commitments.
- Emissions reporting required by AB 617.
- Expedited BARCT implementation.

The Air Districts' reporting requirements are detailed in the grant agreements. To find information on Air District descriptions of how implementation funds are used, please visit the following webpage:

[AB 617 Budget | California Air Resources Board](#)

How is the use of implementation funds by Air Districts tracked by CARB?

These reports can be found on the CARB website at [AB 617 Budget | California Air Resources Board](#). Additionally, each Air District provides updates to their governing boards.

How does CARB use the implementation funds it receives?

CARB's implementation funding supports staff throughout CARB, including those in the Office of Community Air Protection, to carry out the following responsibilities to implement AB 617:

- Identify communities with high cumulative exposure burdens and select communities for deployment of community air monitoring and/or development and implementation of CAMPs and or CERPs, annually, as deemed appropriate and as funding allows.
- Develop a statewide strategy, including measures to reduce emissions and exposure, methods for identifying contributing sources, and criteria to serve as the benchmark that Air Districts must meet when developing and implementing community emissions reduction programs, and updating the statewide strategy at least once every five years.
- Prepare a statewide air monitoring plan to assess current monitoring technologies and existing community monitoring programs and provide criteria and guidance for developing future community air monitoring.
- Publish air quality data generated by the community air monitoring systems deployed under AB 617 and provided by districts onto CARB's internet website.
- Establish and maintain an emissions control technology clearinghouse.

- Establish a statewide uniform system of annual emissions reporting for certain categories of sources.
- Implement and enforce CARB regulatory programs with the identified CSC priorities in mind to target community concerns. CARB also provides enforcement updates to CSCs.
- Administer grants to community-based organizations for technical assistance and to support community participation in implementation of AB 617.
- Provide Program review and oversight.

Information on [CARB implementation funding](#).

### How does CARB report on its progress to implement the Community Air Protection Program?

CARB staff provides program updates several times per year to the CARB Governing Board. These updates can be stand-alone board meeting presentations, part of a theme specific Program item, as well as an annual memo to the Board.

For information regarding CARB staff annual memo to the Board please visit the following webpage:

- [2020 Annual Update on AB 617 Implementation](#)
- [2021 Annual Update on AB 617 Implementation](#)
- [2022 Annual Update on AB 617 Implementation](#)

### Incentive Funding Questions

#### How are Community Air Protection Incentives funds distributed to Air Districts?

Once the Legislature provides funding as part of the budget process, the incentives funding is allocated to CARB. CARB allocates and disburses the funds to Air Districts through grant agreements consistent with budget language and state law concerning public funds. See Figure 1. In the first year of the Program, the Legislature directed that 95% of the incentive dollars go to three Air Districts and specified the percentage that each was to receive. In the following years, the Legislature did not specify amounts for each Air District. CARB works together with Air Districts and CAPCOA to determine Air District allocations consistent with the principles included in [CARB's CAP Incentives Guidelines](#).

These principles include the following:

(A) Consider precedent set by the Legislature with the specified allocation of funds in the first year. The three largest Air Districts have over 90 percent of disadvantaged community populations in California.

(B) Provide a significant portion of funds to communities selected by CARB's Governing Board under AB 617 requirements. Selection by the Board indicates the

Board believes these areas deserve particular and immediate attention to relieve air pollution burdens.

(C) Consider the needs of other communities that CARB “is considering for selection in future years” per SB 856 (Committee on Budget and Fiscal Review , Stats of 2018, ch 30). Under the Community Air Protection Blueprint, this includes all disadvantaged communities as well as specific areas nominated by Air Districts.

(D) Provide opportunity for smaller Air Districts to participate and receive CAP incentives for projects in their disadvantaged communities and low-income areas.

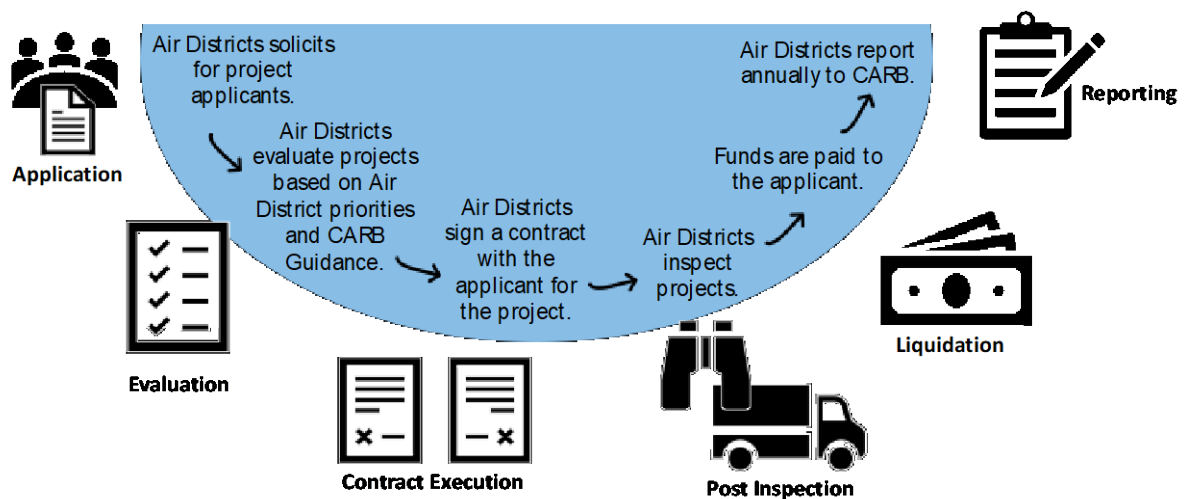
In approving the CAP Incentives Guidelines, the Board directed the Executive Officer to ensure that at least 70 percent of the incentive funds be spent in disadvantaged communities and at least 80 percent be spent in a combination of disadvantaged or low-income communities. As a result, the primary consideration for the allocation of funds is the population of disadvantaged communities in each Air District.

- Community Air Protection Incentives allocation principles.  
(Chapter 3, Section B.1, Page 3-1) [Community Air Protection Incentives 2019 Guidelines](#)
- CARB Board [Resolution for Community Air Protection Incentives Guidelines](#)

How are Community Air Protection Incentives funds distributed by Air Districts to implement projects?

The graphic below illustrates the steps that Air Districts follow to fund a project.

**Figure 2. Flow of Community Air Protection Incentive Funds  
Air District to Project**



What is CAPCOA's role in determining funding allocations for AB617 incentives funds?

CAPCOA facilitates and coordinates discussions between Air Districts to suggest a joint proposed funding allocation based on CARB's guiding principles, CARB makes the final allocation determinations.

As background, the [CAPCOA](#) is an association of the air pollution control officers from all 35 local air quality regulatory agencies throughout California. CAPCOA was formed in 1975 to promote clean air and to provide a forum for sharing of knowledge, experience, and information among the air quality regulatory agencies around the State. CAPCOA works with all levels of government, industry, environmental advocacy groups and the public to advance policies and programs that protect public health from the adverse effects of air pollution. CAPCOA advocates for clean air programs through the legislative process, and coordinates closely with local, state, and federal air agencies to develop and implement those programs.



## How does CARB track the use of CAP Incentive Funds?

CARB's role includes tracking overall progress towards implementation of all strategies included in the CERPs, including those requiring incentive funds such as replacing heavy duty diesel trucks or implementation-funded strategies such as enhanced enforcement commitments. The Board requires regular updates on the progress of CAP incentives implementation, and staff published the first update in April 2020, a second update in December 2021, and a third in May 2022, more details on these report, see [CAP incentives status reports](#).

Notably, the data from the progress report shows that Air Districts have collectively exceeded their Board-directed obligation to spend most of the funds in disadvantaged and low-income communities. CARB staff will continue to update the Board and the public regularly.

In addition to regular reports to the Board, stakeholders and CARB Board Members have requested that such progress be reported in a way that allows for comparison across communities. To facilitate this reporting, CARB staff developed templates using strategies contained in each CERP and relies on Air Districts to populate the templates using information contained in the annual reports, for more information visit CARB's [online resource hub](#).

## How much funding (incentive and implementation) is provided to each CSC community?

Amounts of incentive funding for each AB 617 CSC are determined by each Air District. Funding per CSC community is not available at this time, air districts provide updates to CSCs in how the air district are using the funds. Several districts provide budget summaries to AB 617 CSCs. The summaries may include overview of funding, implementation budget, and expenditures by community. An example of this [discussion from South Coast AQMD's San Bernardino Muscoy Community update meeting](#).

Both CARB and Air Districts spend implementation funding in ways that support all AB 617 CSCs. Implementation funding covers the cost of facilitation and interpretation contracts and stipends, or contract mechanisms for monitoring that may be for specific CSCs. Staffing costs also cover Program-wide requirements that are not limited to supporting individual AB 617 CSCs. In addition, this funding is used for other AB 617 statutory requirements such as the development of the Criteria Pollutant and Toxics Emission Reporting system and expedited BARCT efforts.

Amounts of incentive funding for each CSC are determined by each Air District. Incentive funding projects awards depend on the applications that the Air District

receives. The Air Districts have been working with CSC communities to better target their incentive funding solicitation in their communities.

#### How much funding has the Legislature provided the Program?

The funding summary tables (Table 1 through Table 4) to date reflect the annual incentive and implementation funding amounts to CARB and the Air Districts from Program inception, Fiscal Year (FY) 17/18 to Year 6, FY 22/23.

## Summary of Community Air Protection Program Funding

Below are summaries of the four different funding pots for the California Air Resources Board (CARB)'s Community Air Protection Program. There are two funding sources each fiscal year (FY): the Air Pollution Control Fund (APCF) and the Greenhouse Gas Reduction Fund (GGRF). Additional details on funding can be found at [the CARB AB617 funding overview website](#), or by contacting CARB at [communityair@arb.ca.gov](mailto:communityair@arb.ca.gov).

### CARB Implementation

Examples of how CARB uses implementation funding include: identifying communities; developing and implementing the [Program Blueprint](#); State agency and [AB 617 Consultation Group](#) coordination, establishing, and maintaining a [statewide technology clearinghouse](#), [air quality data portal](#), emissions reporting requirements/system, managing air district grants, air monitoring, emissions inventory and strategy development, incentives, and enforcement. Table 1 below identifies the Senate Bill (SB) or Assembly Bill (AB) budget bill that corresponds to the funding FY.

Table 1 CARB Implementation Funding (millions)

FY	Budget Bills	CARB Implementation Funding	CARB Liquidation Date
17-18	<a href="#">SB93</a> / <a href="#">AB134</a>	\$12-GGRF	6/30/20
18-19	<a href="#">SB856</a>	\$15-GGRF	6/30/21
19-20	<a href="#">AB74</a>	\$16-GGRF	6/30/22
20-21	<a href="#">SB74</a>	\$16-GGRF	6/30/23
21-22	<a href="#">SB170</a> / <a href="#">AB128</a>	\$4.0-APCF \$12.08-GGRF	6/30/24 APCF 6/30/26 GGRF
22-23	<a href="#">SB154</a> / <a href="#">AB178</a> / <a href="#">AB179</a>	\$4.17-APCF \$12.28-GGRF	6/30/25 APCF 6/30/27 GGRF

## District Implementation

Examples of how air districts use implementation funding include: establishing and supporting community steering committees (i.e., interpretation, facilitation, room rental); developing, implementing, and reporting on Community Emissions Reduction Programs (CERPs) including staffing; outreach and engagement; developing and implementing strategies; and enforcement. For monitoring efforts, this includes procuring, deploying, verifying, and displaying air monitoring equipment or data, and implementing [Best Available Retrofit Control Technology \(BARCT\)](#). Table 2 provides the district implementation funding allocations.

Table 2 District Implementation Funding (millions)

FY	Amount-Funding Source <sup>1</sup>	South Coast	San Joaquin	Bay Area	San Diego	Sacramento	Imperial	All Others	District Liquidation Date
17-18	\$27-APCF	\$10.80	\$8.40	\$4.80	\$0.87	\$0.86	\$0.03	\$1.24	6/30/21
18-19	\$30-APCF \$20-GGRF	\$20.00	\$12.00	\$10.00	\$2.50	\$1.50	\$2.00	\$2.00	6/30/21-APCF 6/30/22-GGRF
19-20	\$30-APCF \$20-GGRF	\$21.90	\$12.70	\$9.00	\$2.30	\$1.25	\$1.85	\$1.03	6/30/22-APCF 6/30/25-GGRF
20-21	\$50-APCF	\$21.90	\$12.70	\$9.00	\$2.30	\$1.25	\$1.85	\$1.03	6/30/23
21-22	\$50-GGRF <sup>2</sup>	\$21.90	\$12.70	\$9.00	\$2.30	\$1.25	\$1.85	\$1.03	6/30/26
22-23	\$50-GGRF <sup>2</sup> \$10-GGRF <sup>3</sup>	\$21.90	\$12.70	\$9.00 \$2.00	\$2.30 \$4.25	\$1.25	\$1.85 \$3.75	\$1.03	6/30/27

<sup>1</sup> Budget bills do not provide air district breakdown of funds.

<sup>2</sup> GGRF funds are only 75% available initially, the remaining 25% is available after the 4th quarter of Cap and Trade Auction and approved by Department of Finance (DOF).

<sup>3</sup> GGRF funds from AB179 are to be used for development of new CERPs.

## Community Air Protection (CAP) Incentives

CARB allocates CAP incentives to the local air districts to implement incentive projects that reduce emissions or exposure to emissions, or generate other benefits prioritized by communities. CAP Incentives are distributed per [CAP Incentive Guidelines](#). Examples of incentive projects include cleaner mobile sources (vehicles and equipment); fueling infrastructure (heavy and light duty) to support cleaner technology; cleaner equipment and stationary source control technologies; and [community-identified projects](#), developed during the CERP implementation process, including strategies to reduce exposures or generate other benefits prioritized by the community. Table 3 provides the CAP Incentive Funding allocations.

Table 3 CAP Incentives Funding (millions)

FY	Amount-Funding Source <sup>1</sup>	South Coast	San Joaquin	Bay Area	San Diego	Sacramento	Imperial	All Others	District Liquidation Date
17-18	\$250-GGRF	\$107.50	\$80.00	\$50.00	\$3.00	\$3.66	\$0.50	\$5.35	6/30/23 <sup>1</sup>
18-19	\$245-GGRF	\$85.57	\$63.68	\$39.80	\$18.91	\$14.02	\$7.96	\$13.84	6/30/24 <sup>2</sup>
19-20	\$209-GGRF	\$79.43	\$57.45	\$30.39	\$16.05	\$6.68	\$6.04	\$10.89	6/30/25
20-21	\$0								N/A
21-22	\$260-GGRF <sup>3,4</sup>	\$98.80	\$71.46	\$37.80	\$19.96	\$7.25	\$7.52	\$14.61	6/30/26
22-23	\$200-GGRF \$40-General Fund	\$91.20	\$65.97	\$34.89	\$18.43	\$6.69	\$6.94	\$13.49	6/30/27

<sup>1</sup> The Legislature allocated 95 percent of FY 17-18 funds to the three largest air districts but did not specify allocations in subsequent years.

<sup>2</sup> Includes an extension from the original date: 2 years for CAP incentive funds.

<sup>3</sup> GGRF funds are 75% available initially, remaining 25% is available after the 4th quarter Cap and Trade Auction and DOF approval.

<sup>4</sup> Appropriation of 260M was split between FY 20-21 (\$120M) and FY 21-22 (\$140M).

## Community Air Grants (CAGs)

CAGs are designed to establish a community-focused approach to improving air quality and reducing exposure to toxic air pollutants at the neighborhood level. CAGs are being used to fund community engagement and outreach related to AB 617; hiring consultants and/or technical experts; travel and logistical support for hosting and/or attending meetings related to AB 617 (i.e., room rental, meeting facilitation, transportation); support for community operated air monitoring; and data collection and analysis, including community-based participatory research projects. More information on CAG funds can be found at [Community Air Grants](#). Table 4 provides the approximate locations of CAG Funding recipients.

Table 4 CAG Funding (millions)

FY	Amount-Funding Source	South Coast	San Joaquin	Bay Area	San Diego	Sac	Imp	All Others	Air Grants Liquidation Date
17-18	\$5-GGRF	\$0.19	\$1.67	\$1.15	\$0.98	\$0	\$0.50	\$0.50	6/30/22 <sup>1</sup>
18-19	\$10-GGRF <sup>2</sup>	\$4.75	\$1.52	\$2.67	\$0.38	\$0.30	\$0.00	\$0.38	6/30/23 <sup>2</sup>
19-20	\$10-GGRF <sup>2</sup>	\$3.03	\$2.00	\$2.42	\$0.89	\$0.30	\$0.30	\$1.07	6/30/25
20-21	\$0								N/A
21-22 <sup>3</sup>	\$10-GGRF	tbd	tbd	tbd	tbd	tbd	tbd	tbd	6/30/26
22-23 <sup>3</sup>	\$10-GGRF	tbd	tbd	tbd	tbd	tbd	tbd	tbd	6/30/27

<sup>1</sup> Includes an extension from the original date: 1 year for Air Grants.  
<sup>2</sup> For projects in multiple air districts, project funds split evenly between air districts.  
<sup>3</sup> To be determined (tbd), the solicitation is in progress (FY 21-22) or will be released in the future (FY 22-23).